

# EXHIBIT 26, PART F

1 Estate of Marilyn Monroe: LASC No. 453,333

2  
3 arrange for storage of all of the items involved. However,  
4 before the furniture and furnishings were  
5 chaser of the real property requested the  
6 buying certain of the items that were  
7 for use in the house. Petitioner's attorneys,  
8 met with the buyer, so that the latter could designate which  
9 items he desired. Thereafter, petitioner's attorneys had  
10 these items separately appraised so that they  
11 at not less than the appraised value, and prepared the  
12 Return of Sale of Personal Property and the Order based  
13 thereon, and draw the necessary documents to complete the  
14 transaction. Said attorneys then arranged with the Special  
15 Administratrix so that prior to delivery of possession of the  
16 house to the buyer, all the remaining items of furniture and  
17 furnishings could be boxed and stored with a warehouse.

18 Petitioner's said attorneys estimate that they  
19 expended ten (10) hours in connection with the foregoing ser-  
20 vices.

21 4. Extraordinary Services Re Creditors' Claims:

22 Following decedent's death, there were thirty-five  
23 creditors' claims filed against the estate in California.  
24 While petitioner's attorneys recognize that the processing  
25 of creditors' claims is part of the normal duties of admin-  
26 istration, for which statutory fees are allowed, said

27 ...

28

EXHIBIT III

(20)

SFAI 0188

1 Estate of Marilyn Monroe: LASC No. 458,935

2  
3 attorneys point out that, in this estate, a portion of the  
4 services were extraordinary in that there was no one alive in  
5 a position to advise as to the accuracy of the claim  
6 or the extent of decedent's outstanding obligations.  
7 consequence, said attorneys had to make inquiries  
8 tions with respect to said claims, which involved, among  
9 other things, separate meetings with many of the claimants  
10 to examine into the nature of the claim.

11 Furthermore, in connection with the claim of Wm.  
12 Bright, the interior decorator, it was necessary to analyze  
13 a large number of items to determine whether there was a  
14 firm commitment or merely a proposed estimate which could  
15 be canceled. In this connection, petitioner's attorneys  
16 arranged to cancel an order for a rug from Mexico, which had  
17 been ordered and woven to size in Mexico and was at that time  
18 being held for delivery. In addition, there were demands  
19 from the Los Angeles Bureau of Customs regarding a carton  
20 containing a specifically constructed chest, which the Bureau  
21 of Customs was holding for transportation and storage charges.  
22 Upon investigation, it appeared that the decedent had paid  
23 \$360.00 for the chest and that the total charges to redeem  
24 amounted to approximately \$300.00. After several consulta-  
25 tions with the interior decorator, petitioner's attorneys  
26 recommended to the ancillary executor that the chest not be

27 ...

28 ...

EXHIBIT 111

(21)

SFAL 0189

1 Estate of Marilyn Monroe: LASC No. 458,935

2  
3 redeemed but that the Bureau of Customs be allowed to sell  
4 it for the charges.

5 In connection with the creditor's claim of MCA Artists, Ltd.,  
6 Artists, Ltd., said attorneys were required to obtain  
7 extensive agency contracts in order to advise the  
8 executor as to the basis for the claim and its propriety.  
9 Subsequently, when the time came to pay the claims, said  
10 attorneys suggested to the ancillary executor the arrangement  
11 whereby the creditor's claim of MCA Artists, Ltd. would be  
12 paid out of the domiciliary probate estate in New York, so  
13 that the claim, including the contingent portion thereof,  
14 could be released in California, the ancillary administration  
15 be released in California and the administration settled.  
16 Said attorneys, further, handled the negotiations with respect  
17 thereto, insofar as the California representatives of the  
18 claimant were involved.

19 Petitioner's said attorneys estimate that their services  
20 in connection with the handling of those aspects of the  
21 creditors' claims set forth above, over and apart from the  
22 normal services of handling creditors' claims, involved ap-  
23 proximately twenty-five (25) hours of time.

24 ...

25 ...

26 ...

27 ...

28 ...

EXHIBIT III

(22)

56A10190

Estate of Marilyn Monroe: LASC No. 458,935

**EXTRAORDINARY SERVICES RE TAX MATTERS:**

(a) Although decedent's domicile probably

Handled in New York, 10-10-57

in California and owned real property here.

of her death.

Services in connection with the preparation of the

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED

Concerning Residence, together with supporting

...in order to establish that decedent was a

nonresident of California at the time of her death,

and in order to assemble and segregate correctly.

None items of receipts and expenses attributable

0 California for assessment. Petitioner's attorney

Responded with and interviewed several persons

with respect to decedent's nonresident status, and-

connected to the ancillary executor the types of evidence

and no record of substantiate this position and

ut passimque exen quoniam etiam in quibusdam

Said attorneys engaged in support of such position.

Correspondence with the California State Controller,

place, explaining in detail their factual and legal

but not to be used in any way to

המחלקה לביטחון המדינה

1100012 at the time of her death. As a result of

STAT 0291

(23)



1 Estate of Marilyn Monroe: LASC No. 458,935

2

3 such determination, none of decedent's contract rights  
4 were included in measuring such tax in California.

5

6 Petitioner's attorneys assembled the  
7 information with respect to the California assets  
and obligations of decedent for the purpose of

8 Federal Estate Tax Return and in connection with a

9 Notice of Levy from the U. S. Treasury Department,

10 Internal Revenue Service, for federal estate taxes

11 in the sum of approximately \$135,000.00 which was

12 served on said attorneys, and worked with the

13 domiciliary executor in ultimately obtaining the

14 necessary evidence of payment and the formal

15 Release of Levy.

16

Said attorneys allege that they expended  
17 more than twenty (20) hours in connection with the  
18 foregoing complicated tax matters.

19

(b) Upon decedent's death, her estate became

20 entitled to a percentage of the receipts

21 from various motion pictures, including "Some Like It

22 Hot" and "The Misfits", on a continuing basis. The

23 moneys involved were paid to the domiciliary executor

24 in New York and income tax returns reporting such

25 receipts were filed, and taxes paid thereon, in 1971.

26

In 1971, when the ancillary executor herein

27 prepared to file his Petition for Final Distribution,

28

EXHIBIT III

(24)

SPAI 0192

1 Estate of Marilyn Monroe: LASC No. 458,935

3 he sought an Income Tax Certificate from the  
4 Franchise Tax Board in accordance with the then  
5 applicable requirements of law. The Franchise  
6 Tax Board responded with a claim that petitioner  
7 owed the State of California fiduciary income  
8 taxes for the years 1963 through 1970, based upon  
9 the estate's share of gross receipts from the  
10 above entitled pictures attributable to decedent's  
11 services rendered in California.

12 In accordance with instructions furnished  
13 by petitioner's attorneys herein, the accountants  
14 for the estate prepared appropriate fiduciary income  
15 tax returns for the years in question and submitted  
16 them to the Franchise Tax Board under protest.  
17 Extensive negotiations and discussions were then  
18 carried on between said attorneys and representa-  
19 tives of the Franchise Tax Board with respect to  
20 the legal position of the estate that such income  
21 was not subject to tax. After considering the legal  
22 arguments asserted by the attorneys herein, the  
23 Franchise Tax Board served notice of proposed assess-  
24 ments of tax against the ancillary executor for the  
25 years 1963 through 1970. Petitioner, through  
26 his attorneys, appealed from such assessments.

27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60  
61  
62  
63  
64  
65  
66  
67  
68  
69  
70  
71  
72  
73  
74  
75  
76  
77  
78  
79  
80  
81  
82  
83  
84  
85  
86  
87  
88  
89  
90  
91  
92  
93  
94  
95  
96  
97  
98  
99  
100  
101  
102  
103  
104  
105  
106  
107  
108  
109  
110  
111  
112  
113  
114  
115  
116  
117  
118  
119  
120  
121  
122  
123  
124  
125  
126  
127  
128  
129  
130  
131  
132  
133  
134  
135  
136  
137  
138  
139  
140  
141  
142  
143  
144  
145  
146  
147  
148  
149  
150  
151  
152  
153  
154  
155  
156  
157  
158  
159  
160  
161  
162  
163  
164  
165  
166  
167  
168  
169  
170  
171  
172  
173  
174  
175  
176  
177  
178  
179  
180  
181  
182  
183  
184  
185  
186  
187  
188  
189  
190  
191  
192  
193  
194  
195  
196  
197  
198  
199  
200  
201  
202  
203  
204  
205  
206  
207  
208  
209  
210  
211  
212  
213  
214  
215  
216  
217  
218  
219  
220  
221  
222  
223  
224  
225  
226  
227  
228  
229  
230  
231  
232  
233  
234  
235  
236  
237  
238  
239  
240  
241  
242  
243  
244  
245  
246  
247  
248  
249  
250  
251  
252  
253  
254  
255  
256  
257  
258  
259  
260  
261  
262  
263  
264  
265  
266  
267  
268  
269  
270  
271  
272  
273  
274  
275  
276  
277  
278  
279  
280  
281  
282  
283  
284  
285  
286  
287  
288  
289  
290  
291  
292  
293  
294  
295  
296  
297  
298  
299  
300  
301  
302  
303  
304  
305  
306  
307  
308  
309  
310  
311  
312  
313  
314  
315  
316  
317  
318  
319  
320  
321  
322  
323  
324  
325  
326  
327  
328  
329  
330  
331  
332  
333  
334  
335  
336  
337  
338  
339  
340  
341  
342  
343  
344  
345  
346  
347  
348  
349  
350  
351  
352  
353  
354  
355  
356  
357  
358  
359  
360  
361  
362  
363  
364  
365  
366  
367  
368  
369  
370  
371  
372  
373  
374  
375  
376  
377  
378  
379  
380  
381  
382  
383  
384  
385  
386  
387  
388  
389  
390  
391  
392  
393  
394  
395  
396  
397  
398  
399  
400  
401  
402  
403  
404  
405  
406  
407  
408  
409  
410  
411  
412  
413  
414  
415  
416  
417  
418  
419  
420  
421  
422  
423  
424  
425  
426  
427  
428  
429  
430  
431  
432  
433  
434  
435  
436  
437  
438  
439  
440  
441  
442  
443  
444  
445  
446  
447  
448  
449  
450  
451  
452  
453  
454  
455  
456  
457  
458  
459  
460  
461  
462  
463  
464  
465  
466  
467  
468  
469  
470  
471  
472  
473  
474  
475  
476  
477  
478  
479  
480  
481  
482  
483  
484  
485  
486  
487  
488  
489  
490  
491  
492  
493  
494  
495  
496  
497  
498  
499  
500  
501  
502  
503  
504  
505  
506  
507  
508  
509  
510  
511  
512  
513  
514  
515  
516  
517  
518  
519  
520  
521  
522  
523  
524  
525  
526  
527  
528  
529  
530  
531  
532  
533  
534  
535  
536  
537  
538  
539  
540  
541  
542  
543  
544  
545  
546  
547  
548  
549  
550  
551  
552  
553  
554  
555  
556  
557  
558  
559  
560  
561  
562  
563  
564  
565  
566  
567  
568  
569  
570  
571  
572  
573  
574  
575  
576  
577  
578  
579  
580  
581  
582  
583  
584  
585  
586  
587  
588  
589  
590  
591  
592  
593  
594  
595  
596  
597  
598  
599  
600  
601  
602  
603  
604  
605  
606  
607  
608  
609  
610  
611  
612  
613  
614  
615  
616  
617  
618  
619  
620  
621  
622  
623  
624  
625  
626  
627  
628  
629  
630  
631  
632  
633  
634  
635  
636  
637  
638  
639  
640  
641  
642  
643  
644  
645  
646  
647  
648  
649  
650  
651  
652  
653  
654  
655  
656  
657  
658  
659  
660  
661  
662  
663  
664  
665  
666  
667  
668  
669  
670  
671  
672  
673  
674  
675  
676  
677  
678  
679  
680  
681  
682  
683  
684  
685  
686  
687  
688  
689  
690  
691  
692  
693  
694  
695  
696  
697  
698  
699  
700  
701  
702  
703  
704  
705  
706  
707  
708  
709  
710  
711  
712  
713  
714  
715  
716  
717  
718  
719  
720  
721  
722  
723  
724  
725  
726  
727  
728  
729  
730  
731  
732  
733  
734  
735  
736  
737  
738  
739  
740  
741  
742  
743  
744  
745  
746  
747  
748  
749  
750  
751  
752  
753  
754  
755  
756  
757  
758  
759  
760  
761  
762  
763  
764  
765  
766  
767  
768  
769  
770  
771  
772  
773  
774  
775  
776  
777  
778  
779  
780  
781  
782  
783  
784  
785  
786  
787  
788  
789  
790  
791  
792  
793  
794  
795  
796  
797  
798  
799  
800  
801  
802  
803  
804  
805  
806  
807  
808  
809  
810  
811  
812  
813  
814  
815  
816  
817  
818  
819  
820  
821  
822  
823  
824  
825  
826  
827  
828  
829  
830  
831  
832  
833  
834  
835  
836  
837  
838  
839  
840  
841  
842  
843  
844  
845  
846  
847  
848  
849  
850  
851  
852  
853  
854  
855  
856  
857  
858  
859  
860  
861  
862  
863  
864  
865  
866  
867  
868  
869  
870  
871  
872  
873  
874  
875  
876  
877  
878  
879  
880  
881  
882  
883  
884  
885  
886  
887  
888  
889  
890  
891  
892  
893  
894  
895  
896  
897  
898  
899  
900  
901  
902  
903  
904  
905  
906  
907  
908  
909  
910  
911  
912  
913  
914  
915  
916  
917  
918  
919  
920  
921  
922  
923  
924  
925  
926  
927  
928  
929  
930  
931  
932  
933  
934  
935  
936  
937  
938  
939  
940  
941  
942  
943  
944  
945  
946  
947  
948  
949  
950  
951  
952  
953  
954  
955  
956  
957  
958  
959  
960  
961  
962  
963  
964  
965  
966  
967  
968  
969  
970  
971  
972  
973  
974  
975  
976  
977  
978  
979  
980  
981  
982  
983  
984  
985  
986  
987  
988  
989  
990  
991  
992  
993  
994  
995  
996  
997  
998  
999  
1000

1 Estate of Marilyn Monroe: LASC No. 458,335

2  
3 The point in issue in the proceedings was a  
4 completely novel point of law; namely, what, if any,  
5 California Revenue and Taxation Code and provisions  
6 thereunder permitted the taxation of income derived from  
7 ~~source~~ income of receipts from contracts which had

8 been valued for tax purposes as assets of decedent's  
9 domiciliary estate and were passively received by  
10 such domiciliary estate outside of California. The  
11 question involved matters of constitutional law,  
12 statutory construction and the interpretation of  
13 the Franchise Tax Board's own rulings.

14 Extensive research was carried on by said  
15 attorneys, both with respect to the facts and the  
16 law; an opening brief and a reply brief were filed  
17 in support of the estate's position. The matter  
18 came on for hearing before the Board of Equalization  
19 and was orally argued at length before the full  
20 Board in December, 1973.

21 In 1975, the Board of Equalization ultimately  
22 affirmed the Franchise Tax Board's determination of  
23 tax. The taxes, penalties and interest involved  
24 totaled approximately \$93,000. Before determining  
25 whether or not to appeal further, said attorneys  
26 discussed with the Franchise Tax Board, and subsequently  
27 with the California Attorney General's office,  
28 ...

EXHIBIT III

(26)

SPAI 0194



1 Estate of Marilyn Monroe: IASC No. 458,935

2  
3 the possibility of settlement. Negotiations were  
4 conducted on the basis that this was a matter of  
5 first impression, that there were substantial  
6 issues of law which the courts would have to  
7 upon, and that it was advantageous both to  
8 State and to the estate to dispose of the matter  
9 as promptly as possible on a reduced basis.

10 Ultimately, after said attorneys, with the approval  
11 of petitioner, had prepared and submitted various  
12 proposals, the State of California agreed to a  
13 settlement which waived all penalties and accepted  
14 the sum of approximately \$52,000, as payment in  
15 full. The domiciliary estate supplied a substan-  
16 tial portion of the funds necessary to make this  
17 settlement possible. Said attorneys reviewed and  
18 approved the settlement documents prepared. Said  
19 attorneys then prepared a Petition for Order  
20 ~~of Approval of Settlement of Claims Against Estate~~, it-  
21 tered a hearing thereon, and after approval by  
22 the Court, prepared the Order of Approving Compro-  
23 mise. Payment has been effected and the action  
24 has been dismissed.

25 In the preparation of the briefs, negotiations,  
26 hearing, argument and settlement procedures, said  
27 attorneys have expended in excess of one hundred  
28 (100) hours.

EXHIBIT III

(27)

SEAL 0185